



HEBER CREEPER

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Heber Creeper, Inc.
Minutes of the Special Meeting
of the Board of Directors held
March 26, 1975

PRESENT: Lowe Ashton
James Ritchie
Gordon Mendenhall

W. R. Budd
R. R. Green
Del Wallengren

ALSO PRESENT: Rey Arnold

Lowe Ashton reviewed the extensive negotiations with the owners of the Stardust Motel and Cafe complex. He indicated they were not interested in a lease as described in the previous board meeting and that the price and terms currently being negotiated to purchase the property were not favorable to the Creeper. Various alternative suggestions and proposals were discussed.

R.R. Green moved that we offer to lease the Cafe at \$12,000 per year and contract to rent rooms at \$10. between October 1, and May 31, and for up to 25% of occupancy capacity during September. During the remainder of the year, to be commissioned at 10% on rooms filled by Creeper. The lease of the cafe and contract on rooms would be for two years with an option to renew for five years. The contract on rooms would be subject to a percentage increase in room rates as published in the Best Western Guide (or by average room rent if Best Western was not applicable) after the first two years. Gordon Mendenhall seconded. Motion carried.

Del Wallengren moved that we seek to obtain an option to purchase the complex at anytime after September 1, 1975 for a two year period for \$640,000 with 50,000 shares of Heber Creeper Stock at par value as down payment and the balance of \$590,000 at \$70,000 per year until amortized at 9%. James Ritchie seconded. Motion carried with Gordon Mendenhall voting in the negative.

Del Wallengren moved that in the event we fail to get the option to purchase described above, first refusal to any bona fide offer to purchase for the length of any lease or contract. James Ritchie seconded. Motion carried.

Rey Arnold reminded the board that the contingencies included in the motion authorizing management to seek financing for expansion and diversification needed modification if we were to proceed in view of the failure to satisfactorily reach agreement in leasing the Stardust complex.

R. Raymond Green moved that management be authorized to seek financing up to a maximum of \$220,000 subject to final approval of the board. James Ritchie seconded. Motion carried.